protect the recreation and conservation values of the right-of-way from encroachment by conflicting uses of surrounding land.

(1) State and local projects involving the development of abandoned railroad rights-of-way which do not include the acquisition of the rights-of-way will be given lower funding priority than projects involving both acquisition and development.

# §64.9 Project costs (State and local projects).

To be eligible, acquisition and development costs must be incurred after the date of project approval and during the project period. The project period will be indicated in the project application. Waivers will be granted to proceed with the acquisition prior to project approval if the applicant can show there is a need for immediate action. Development costs are first incurred at the start of actual physical work on the project site. Acquisition costs are incurred on the date when the applicant makes full payment or accepts the deed or other appropriate conveyance. Project-related planning costs outlined in §64.9(a)(3), may be incurred prior to project approval. The date from which they were incurred must be indicated in the project application.

- (a) The types of project costs that are eligible for funding under this program are:
- (1) Acquisition costs will be assisted on the basis of the price paid or the appraised fair market value, whichever is less. Costs incurred pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, appraisal costs and other reasonable incidental costs associated with the acquisition.
- (2) Construction costs associated with developing the right-of-way for recreation use.
- (3) Project-related planning required for the acquisition, development and use of the abandoned rights-of-way including master planning, the preparation of development plans and specifications and surveys.
- (4) Legal costs, audit costs, inspection fees, and project administration costs

- (b) Cost overruns will not be eligible for reimbursement. This means that no additional funding will be extended once a project is approved. Any cost overrun incurred on a project must be funded by the grantee.
- (c) Principles and standards for determining costs applicable to State and local grants are found in Federal Management Circular 74-4 and part 670 of the Bureau of Outdoor Recreation Manual.

### §64.10 Matching share.

The State or local applicant's matching share may consist of cash, or inkind contributions consistent with guidelines set forth in Attachment F of OMB Circular A-102.

#### §64.11 Project performance.

The State or local applicant shall be responsible for insuring the project is carried through to stages of completion acceptable to the Bureau of Outdoor Recreation with reasonable promptness. Financial assistance may be terminated upon determination by the Bureau of Outdoor Recreation that satisfactory progress has not been maintained.

- (a) Acquisition Procedures. All acquisition must conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. 91–646, as set forth in the Bureau of Outdoor recreation Manual, part 645. Real property must be appraised before the initiation of negotiations, and the property owner given a statement of just compensation for his property. In no event can the amount established as just compensation be less than the fair market value established by the approved appraisal.
- (1) Appraisals. The State or local applicant should secure at least one appraisal of the appropriate type by a qualified professional appraiser for each parcel to be acquired. Standards for appraisals shall be consistent with the current Uniform Appraisal Standards for Federal Land Acquisition, published by the Land Acquisition Conference and as set forth in Bureau of Outdoor Recreation Manual, paragraph 675.2.5.
- (2) Appraisal Review. The appraisal will be reviewed and approved by a

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qualified staff or fee appraiser prior to the initiation of negotiations. The Bureau reserves the right to review all appraisal documentation prior to or after the acquisition.

- (3) Record Retention. All documentation supporting the acquisition of land and improvements, or interests therein, must be kept available for examination by duly authorized representatives of the Bureau, the Department of the Interior and the General Accounting Office. All such records shall be retained and be available for inspection for a period of three years after final payment by the Federal Government.
- (b) Development Procedures. Development work may be accomplished by contract or by force account. Allowable construction costs cover all necessary construction activities, from site preparation to completion of the facility.
- (1) Construction by Force Account. Labor costs charged to a project for force account work will be based on payrolls documented and approved in accordance with generally accepted accounting practices of the State or local agency. Payrolls must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employee chargeable to more than one cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort. Costs for equipment owned by the participant may be charged against the project based on an equipment use rate developed by the participant in accordance with guidelines provided by the Bureau of Outdoor Recreation. Other costs such as material costs will be charged to a project as outlined in OMB Circular A-102 and the Bureau of Outdoor Recreation Manual, part 670.
- (2) Construction by Contract—(i) Bids and Awards. Competitive open bidding shall be required for contracts in excess of \$10,000 in accordance with Attachment O of OMB Circular A-102.
- (ii) Equal Employment Opportunity. All construction contracts awarded by recipients and their contractors, or subgrantees having a value of more than \$10,000 shall contain a provision requiring compliance with Executive Order No. 11246, entitled "Equal Employment

Opportunity" as supplemented in Department of Labor Regulations (41 CFR part 60). Equal employment contract compliance requirements for "Hometown" or "Imposed" Plan areas will be followed.

- (iii) The State or local applicant will comply with all other procurement standards set forth in Attachment O of OMB Circular A-102.
- (3) Construction Planning Services. The applicant is responsible for:
- (i) Providing all engineering services necessary for all design and construction of Fund-assisted projects.
- (ii) Providing an internal technical review of all construction plans and specifications.
- (iii) Insuring that construction plans and specifications meet applicable health and safety standards of the State.
- (iv) The Bureau reserves the right to require the submission of plans and specifications for any development project prior to project approval.
- (v) All construction plans, specifications, contracts, and change orders shall be retained by the participant for a period of three years after final payment on a project is made by the Bureau, or for a longer period of time if so requested by the Bureau.
- (4) All facilities developed will be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and usable by the Physically Handicapped" Number A117.1–1961, as modified (41 CFR 101–17.703). The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

 $[42\ FR\ 54806,\ Oct.\ 11,\ 1977;\ 42\ FR\ 57462,\ Nov.\ 3,\ 1977.\ Redesignated\ at\ 45\ FR\ 780,\ Jan.\ 3,\ 1980,\ and\ 46\ FR\ 34329,\ July\ 1,\ 1981]$ 

# § 64.12 Standards for grantee financial management systems.

The grantees' Financial Management Systems shall meet the minimum standards set forth in OMB Circular A-102, Attachment G.

### § 64.13 Performance reports.

Performance reports shall be submitted quarterly for all active projects. The performance reports shall briefly present the following: